
Projects Budget Introduction

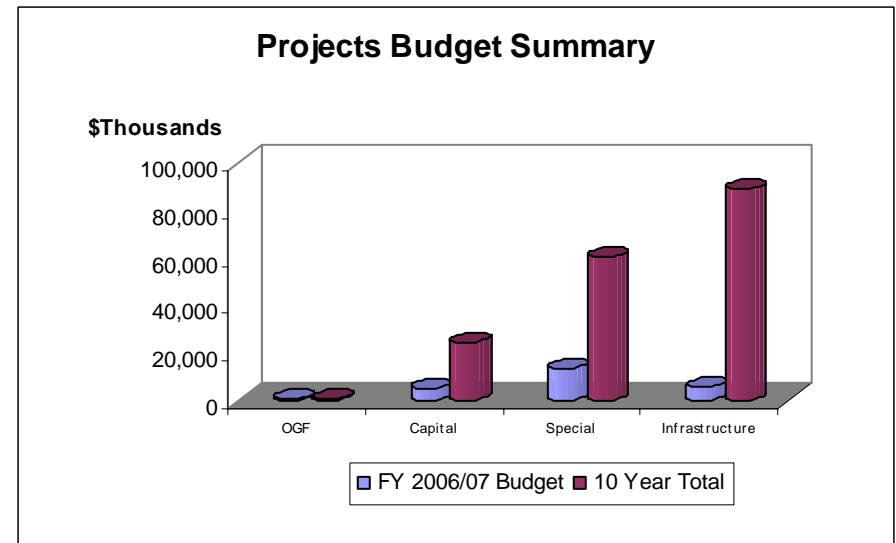
Overview

This section includes the project cost summary and a brief summary of major project efforts for FY 2006/2007. A detailed project information sheet that provides the project description, scope, service level impact, issues, project costs, operating costs, and revenues/cost savings over the life of the project is included for each project in Volume IV of the budget document. The project cost summary and project information sheet includes the project costs, operating costs, transfers and revenues for the first 10 years of the plan. The second 10 years of financial data is incorporated into the twenty-year financial plans that account for the projects.

Projects Budget Summary

The FY 2006/2007 Budget includes approximately \$23 million in project appropriations for FY 2006/2007 and \$174 million in planned project funding over the next 10 years. The total Projects Budget over the 20 year planning horizon is approximately \$402 million.

	FY 2006/07 Budget	10 Year Total	20 Year Total
OGF	371,600	371,600	823,200
Capital	4,941,136	24,389,377	67,018,137
Special	12,545,742	60,278,565	144,333,593
Infrastructure	5,362,530	89,303,878	189,970,125
Total	23,221,008	174,343,420	402,145,055



The projects budget is organized into four categories: Capital, Infrastructure, Special and Outside Group Funding (OGF). Capital projects cover major improvements, construction, or acquisitions such as replacing sidewalks, erecting a new building, or purchasing a piece of property. Infrastructure projects provide for the long-term renovation and replacement of the City's infrastructure such as planning for eventual replacement of building roofs or heating systems. Special projects include one-time costs designed to address a significant community need or problem such as a feasibility study on the need for higher capacity at the Water Pollution Control Plant. Due to their one-time nature, they are not included in the operating budget. The last category, Outside Group Funding, are essentially special projects; however, they are separated to capture contributions made to local community-based organizations.

Budget Process

The City Charter requires that the City Manager submits an annual budget for City Council approval prior to June 30 of each year. Due to the complexity and tremendous effort needed to develop the City's sophisticated performance based budget system, the City alternates its budget focus on the operating and projects budget in a two-year cycle. The two-year budget cycle allows staff to perform an in-depth review of the budget. FY 2006/2007 is the second year of a two-year projects budget cycle and the first year for the operating budget cycle. This means that the projects budget was not reviewed extensively while the operating budget was reviewed in great detail. The projects budget is maintained at essentially the same level as the adopted FY 2005/2006 Budget with the exception of 19 new projects created during FY 2005/2006 through the Budget Modification process and 26 new projects that were approved for funding by City Council as part of the FY 2006/07 Budget.

Projects that are approved for funding are evaluated based on the following criteria: public health and safety, legal/external requirements, relation to adopted plans, environmental quality, public support, percentage of City population or City organization served, protection of capital assets/facilities, life expectancy, benefit-to-cost ratio, economic development, availability of financing, effect on operating budget, and effect on process efficiency. Projects that are not approved for funding are placed in the "Unfunded Projects List", which acts as a waitlist for projects to be re-evaluated for funding in the future. The "Unfunded Projects List" and a project information sheet for each unfunded project are included in Volume IV of the budget document. This evaluation process occurs as part of the budget preparation process for the projects budget cycle. The next projects budget preparation cycle begins in FY 2006/2007 and will establish the two year projects budget for FY 2007/2008 and FY 2008/2009 and planned funding over the twenty year planning period.

New Initiatives for FY 2006/2007

The FY 2006/2007 Budget includes several major initiatives and project efforts. Traffic and transportation needs for the short and long term have been identified through the Transportation Strategic Planning process undertaken by the Public Works Department. With the increased funding for Traffic and Transportation that appears to be on the horizon at the State and Federal level, the City will have an opportunity to take a comprehensive look at our needs and how they best match with available funds. The City also plans to conduct an overall review of all parks and open space assets to ensure that the City is maximizing its resources for community benefit. Finally, it has become increasingly apparent that an analysis of the City's Civic Center complex and Corporation Yard needs to be conducted in light of deterioration and functional obsolescence of the facilities. Funds have been programmed in the Infrastructure Renovation and Replacement Fund for rehabilitation of various components of these buildings. The review during FY 2006/2007 will center around whether to rebuild or rehabilitate our administrative facilities and when this effort should be scheduled. These initiatives will be conducted as part of the projects budget process for the FY 2007/2008 projects budget process.